

VZCZCXR03165
OO RUEHIK
DE RUEHSM #0793/01 3561512

ZNR UUUUU ZZH
O 221512Z DEC 09
FM AMEMBASSY STOCKHOLM

TO RUEHC/SECSTATE WASHDC IMMEDIATE 5013
INFO RUEHZL/EUROPEAN POLITICAL COLLECTIVE PRIORITY
RUCNIRA/IRAN COLLECTIVE PRIORITY
RUEATRS/DEPT OF TREASURY WASHDC PRIORITY
RUEKDIA/DIA WASHDC PRIORITY
RUCPDOC/DEPT OF COMMERCE WASHDC PRIORITY
RUEAIIA/CIA WASHDC PRIORITY

UNCLAS SECTION 01 OF 02 STOCKHOLM 000793

SENSITIVE
SIPDIS

E.O. 12958: N/A

TAGS: [ECON](#) [ETRD](#) [ETTC](#) [PGOV](#) [PREL](#) [IR](#) [SW](#)
SUBJECT: SWEDEN CONTINUES TO SUPPORT AND ENCOURAGE TRADE
WITH IRAN

REF: STOCKHOLM 778 AND PREVIOUS

STOCKHOLM 00000793 001.2 OF 002

1 (SBU) Summary: Embassy review of Swedish government public websites reveal official encouragement of Swedish exports to Iran:

- The Swedish Exports Credit Guarantee Board (EKN) "January-June 2009 Report" ranks Iran in third place of the 113 countries where it has provided export guarantees in the first half of 2009, and fourth place in the number of outstanding export guarantees.

- On a Swedish-language Swedish Trade Council Middle East website, Sweden trumpets its export growth to Iran, saying: "Swedish exports to Iran doubled last year, making Iran Sweden's fourth largest export market in the Middle East in 2008." Swedish Trade Council Middle East Director Mats Paulson called Iran a "very interesting market with a well-developed engineering industry." End Summary.

12. (SBU) Post continues to review Swedish governmental websites in Swedish and English and has found the following related to Iran:

- A Swedish Trade Council article in Swedish (www.swedishtrade.se) from summer/fall 2009 entitled "Business Continues in Iran" states: "Swedish exports to Iran doubled last year, making Iran Sweden's fourth largest export market in the Middle East in 2008. Despite the recent political unrest in the country, business continues as usual.

Sweden has good business relations with Iran, and Swedish products enjoy a good reputation in the country. There is a large number of Swedish companies in Iran, including ABB, Alfa Laval, Ericsson, Tetra Pak and Oriflame (a perfume company operated by a Swedish-Iranian)." The article went on to quote the Swedish Trade Council Middle East Director Mats Paulson, who said that a recently canceled visit by a trade delegation from Sweden (due to the unrest following the Iranian elections) would be carried out at a later date "because Iran is a very interesting market with a well-developed engineering industry." The article concluded by stating that "the purpose of delegation was to promote business relations between Sweden and Iran."

- The Swedish Exports Credit Guarantee Board (EKN) "January-June 2009 Report" stated as follows: "At the top of the list of the 113 countries where we have guaranteed transactions during the first half are Pakistan, Nigeria, Iran, Russia, Belarus, Turkey and Mexico." The report also provides a chart entitled "The 10 Largest Countries - Exposure, SEK Million. Outstanding Guarantees and Indemnified

Claims 30 June 2009" that lists Iran as fourth (after Sweden, Pakistan and South Africa) in number of Outstanding Guarantees.

- December 2009: A preliminary agenda of the "Middle East Summit 2009" in Abu Dhabi, UAE organized by the Swedish Trade Council Middle East to discuss business strategies and trade opportunities in the region listed Iran as a "Country Block Workshop." Swedish Ambassador to Iran Magnus Wernstedt, Soheil Rahgozar of the Swedish Embassy in Iran and Daniel Mokari, the Swedish Trade Council in the UAE were listed as Iran Workshop participants.

- November 2009: An advertisement for Iran Telecom 2009 (Tehran International Fairgrounds) that listed Sweden as an exhibitor.

- July 2009: A statement by the Swedish Exports Credit Guarantee Board (EKN) regarding export credits for an Environmental Impact Assessment (EIA) to be granted no sooner than 30 days after the EIA findings have been made public (www.ekn.se). The EIA in question is for an oil refinery at Esfahan, Iran. The attached document describing the project is in Swedish only and states that "an MKB was compiled for the project in 2005." (Comment: We have been unable to identify "MKB." End Comment.) The four-page document does not mention the name of any company, but was published in July 2009. Although the document does not mention whether or not export credits were granted, it clearly indicates that the EKN was at least interested in providing export credit for a project that involved the Iranian oil and gas sector.

¶13. (SBU) Comment: Although our Swedish interlocutors continue to tell us that Europe's overall trade with Iran is falling,

STOCKHOLM 00000793 002.2 OF 002

the statements and information found on Swedish and English language websites shows that Sweden's trade with Iran is growing. We are urging Swedish government interlocutors to review this trade relationship closely so as not to undercut UNSCRs, U.S. and EU policies, all of which dictate a lessened commercial engagement with Iran.

SILVERMAN